



WEINLANDER FITZHUGH

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PLAINFIELD TOWNSHIP
IOSCO COUNTY, MICHIGAN

FINANCIAL STATEMENTS
JUNE 30, 2005

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Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other			Local Government Name Township of Plainfield		County Iosco
Audit Date 6/30/05		Opinion Date 8/10/05		Date Accountant Report Submitted to State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Weinlander Fitzhugh			
Street Address 1600 Center Avenue		City Bay City	State MI
		ZIP 48708	
Accountant Signature <i>Stewart J. Reid CPA</i>			Date <i>9/21/05</i>

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INDEPENDENT AUDITORS' REPORT

August 10, 2005

Township Board
Township of Plainfield
Iosco County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and aggregate remaining fund information of the Township of Plainfield, Iosco County, Michigan as of and for the year ended June 30, 2005, which collectively comprise the Township's basic financial statements as listed in the index. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund and aggregate remaining fund information of the Township of Plainfield as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

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Township Board
Township of Plainfield
August 10, 2005
Page 2

The accompanying management's discussion and analysis and budgetary comparison information as listed in the index are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles and the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Weinlander Fitzhugh

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

Our discussion and analysis of the Township of Plainfield's financial performance provides an overview of the Township's financial activities for the fiscal year ended June 30, 2005.

Using this Annual Financial Report

This annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Township of Plainfield financially as a whole. The *Government-wide Financial Statements* provide information about the activities of the whole Township, presenting both an aggregate view of the Township's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements look at the Township's operations in more detail than the government-wide financial statements by providing information about the Township's funds. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements for the Township's sewer operations. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the Township acts solely as an agent or trustee.

The following summarizes the presentation included in this annual financial report.

Management's Discussion and Analysis (MD&A) (Required Supplemental Information)

Basic Financial Statements

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

Budgetary Information for the General Fund, Road Fund, Garbage and Rubbish Collection Fund and Fire Fund. (Required Supplemental Information)

Reporting the Township as a Whole

The Statement of Net Assets and Statement of Activities

One of the most important questions asked about the Township's finances is, "Is the Township better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

These two statements report the Township's net assets as a way to measure the Township's financial position. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, and facility conditions in arriving at their conclusion regarding the overall health of the Township.

Reporting the Township's Most Significant Funds

Fund Financial Statements

The Township's fund financial statements provide detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. Other funds are established to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other sources of revenue. The Township's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

Most of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general operations and the basic services it provides. governmental fund information helps you determine whether there are more or fewer financial resources available to spend in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

These funds are reported in fund financial statements and generally report services for which the Township charges a fee. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements.

This fund presents the Township's sewer operations that are managed by the Township. The Township has sole authority to set rates and is financially responsible for the integrity of the system.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

Fiduciary Funds

The Township is the trustee, or fiduciary, for the Cemetery Trust Fund. All of the Township's fiduciary activities are reported in separate Statements of Net Assets and Changes in Net Assets. We excluded these activities from the Township's other financial statements because the assets cannot be utilized by the Township to finance its operations.

Government-wide Financial Analysis

Financial position - The statement of net assets provides the perspective of the Township as a whole. Exhibit A provides a summary of the Township's net assets as of June 30, 2005 and 2004:

	<u>Exhibit A</u>			
	Governmental Activities		Business-type Activities	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Assets				
Current and other assets	\$ 860,000	\$ 1,100,000	\$ 337,000	\$ 363,000
Capital assets - net of accumulated depreciation	<u>1,020,000</u>	<u>548,000</u>	<u>531,000</u>	<u>580,000</u>
Total assets	<u>1,880,000</u>	<u>1,648,000</u>	<u>868,000</u>	<u>943,000</u>
Liabilities				
Current liabilities	247,000	310,000	0	55,000
Long-term liabilities	<u>6,000</u>	<u>5,000</u>	<u>420,000</u>	<u>420,000</u>
Total liabilities	<u>253,000</u>	<u>315,000</u>	<u>420,000</u>	<u>475,000</u>
Net Assets				
Invested in property and equipment - net of related debt	1,020,000	548,000	111,000	105,000
Restricted	3,000	46,000	0	0
Unrestricted	<u>604,000</u>	<u>739,000</u>	<u>337,000</u>	<u>363,000</u>
Total net assets	<u>\$ 1,627,000</u>	<u>\$ 1,333,000</u>	<u>\$ 448,000</u>	<u>\$ 468,000</u>

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

Exhibit A , on the previous page, focuses on net assets. The Township's total net assets were \$2,075,000 at June 30, 2005. Capital assets net of related debt, totaling \$1,131,000 compares the original costs, less depreciation of the Township's capital assets to long-term debt used to finance the acquisition of those assets. Restricted net assets of \$3,000 are reported separately to show legal constraints from debt requirements and legislation that limit the Township's ability to use those net assets for day-to-day operations.

The \$941,000 of unrestricted net assets of governmental and business-type activities represents the *accumulated* results of all past years' operations. The operating results of the General, Special Revenue and Enterprise Funds will have a significant impact on the change in unrestricted net assets from year to year.

Results of operations - The results of this year's operations for the Township as a whole are reported in the statement of activities (Exhibit B), which shows the changes in net assets for the year ended June 30, 2005 and 2004.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

<u>Exhibit B</u>	Governmental Activities		Business-Type Activities	
	2005	2004	2005	2004
Revenue				
Program revenue:				
Charges for services	\$ 456,000	\$ 144,000	\$ 65,000	\$ 66,000
Capital grants and contributions	256,000	138,000	0	0
General revenue:				
Property taxes	472,000	673,000	0	0
State revenue sharing	286,000	265,000	0	0
Interest and investment earnings	8,000	6,000	2,000	2,000
Other	41,000	35,000	10,000	0
Total revenue	1,519,000	1,261,000	77,000	68,000
Function/Program Expenses				
General government	536,000	411,000	0	0
Public safety	180,000	267,000	0	0
Sanitation	214,000	188,000	0	0
Highways, streets and bridges	193,000	161,000	0	0
Recreation and culture	23,000	32,000	0	0
Library	21,000	0	0	0
Other	59,000	88,000	0	0
Sewer	0	0	98,000	114,000
Total expenses	1,226,000	1,147,000	98,000	114,000
Increase (decrease) in net assets	<u>\$ 293,000</u>	<u>\$ 114,000</u>	<u>\$ (21,000)</u>	<u>\$ (46,000)</u>

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

As reported in the statement of activities, the cost of all of our *governmental and business-type* activities this year was \$1,324,000. Certain activities were partially funded by \$456,000 received from those who benefited from the programs, or by the other Townships and organizations that subsidized certain programs with capital grants of \$256,000. We paid for the remaining "public benefit" portion of our governmental and business-type activities with \$472,000 in taxes, \$286,000 in State revenue sharing, and with our other revenues, such as interest and miscellaneous revenues.

The Township experienced an increase in net assets of \$272,000, mainly due to actual expenditures being less than anticipated. There were no significant revenue increases this year. The increase in net assets differs from the change in fund balance and a reconciliation appears in the financial statements.

The Township's Funds

The Township uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Township is being accountable for the resources taxpayers and others provide to it and may provide more insight into the Township's overall financial health.

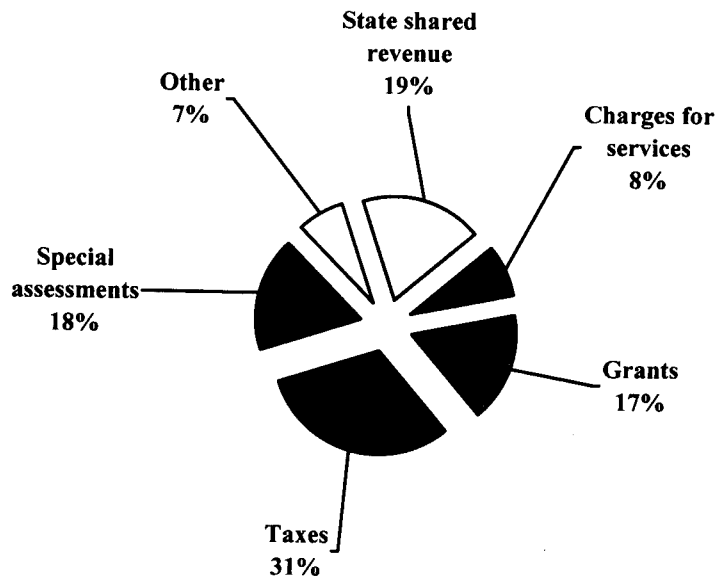
The Township's governmental funds reported a combined fund balance of \$614,000, which is below last year's total of \$790,000. The schedule below details the fund balance and the total change in fund balances as of June 30, 2005 and 2004.

	<u>Fund Balance</u> <u>June 30, 2005</u>	<u>Fund Balance</u> <u>June 30, 2004</u>	<u>Increase</u> <u>(Decrease)</u>
General fund	\$ 296,000	\$ 332,000	\$ (36,000)
Road fund	214,000	185,000	29,000
Garbage and Rubbish Collection fund	10,000	7,000	3,000
Fire fund	77,000	266,000	(189,000)
Library fund	17,000	0	17,000
Total	<u>\$ 614,000</u>	<u>\$ 790,000</u>	<u>\$ (176,000)</u>

The Township's Sewer Fund's net assets decreased \$21,000, resulting in an ending balance of \$448,000.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

The graph below details the major sources of the Township's revenues.



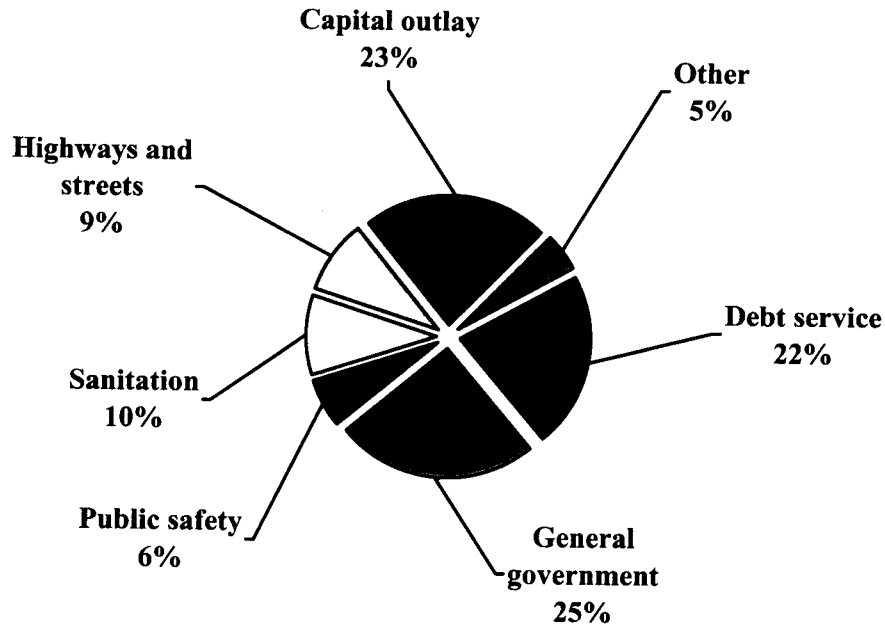
The chart below compares current year revenues with last year.

	2005 Amount	2004 Amount	Percentage Change
<i>Revenues by Function</i>			
Taxes	\$ 472,000	\$ 409,000	15.40%
State shared revenue	286,000	295,000	-3.05%
Capital grants	256,000	100,000	156.00%
Special assessments	274,000	264,000	3.79%
Charges for services	122,000	92,000	32.61%
Other	110,000	131,000	-16.03%
Total	<u>\$ 1,520,000</u>	<u>\$ 1,291,000</u>	<u>17.74%</u>

Revenues are up \$229,000 mainly due to the receipt of fire equipment grants of \$256,000.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

The graph below details the major expenditure categories of the Township.



The chart below compares current year expenditures with last year.

	2005 Amount	2004 Amount	Percentage Change
<i>Expenditures by Function</i>			
General Government	\$ 539,000	\$ 403,000	34%
Capital Outlay	501,000	17,000	2847%
Debt Service	460,000	0	N/A
Sanitation	214,000	188,000	14%
Highways and streets	193,000	161,000	20%
Public Safety	131,000	234,000	-44%
Other	101,000	119,000	-15%
Total	<u>\$ 2,139,000</u>	<u>\$ 1,122,000</u>	<u>91%</u>

Expenditures are up \$1,017,000 from the prior year mostly due to paying off the lease of the fire truck and also the purchase of a fire truck during the fiscal year.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

Sewer System Fund -The Township's Proprietary fund shows the activity of the Sewer Fund. This fund reported net assets of \$448,000 and a net decrease in net assets of \$21,000.

General Fund Budgetary Highlights

Over the course of the year, the Township revises its budget to reflect changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the Township's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

Changes to the General Fund original budget were as follows:

- Budgeted revenues were increased due to contributions for the Hale Beautification project
- Budgeted expenditures were increased due to the payment to the contractor for the Township's portion of the Beautification project.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

Capital Assets

At June 30, 2005, the Township had \$1.5 million invested in a broad range of capital assets, including land, buildings, furniture, equipment and sewer systems. This amount represents a net increase (including additions and disposals) of approximately \$423,000, or 37%, from last year.

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
Land	\$ 530	\$ 530	\$ 15,000	\$ 15,000	\$ 15,530	\$ 15,530
Buildings and improvements	770,707	753,701	0	0	770,707	753,701
Vehicles	17,500	17,500	0	0	17,500	17,500
Machinery and equipment	822,358	321,501	0	0	822,358	321,501
Sewer system	0	0	1,137,693	1,137,693	1,137,693	1,137,693
 Total capital assets	 1,611,095	 1,093,232	 1,152,693	 1,152,693	 2,763,788	 2,245,925
 Less accumulated depreciation	 591,358	 545,055	 622,057	 572,572	 1,213,415	 1,117,627
 Net capital assets	 <u>\$ 1,019,737</u>	 <u>\$ 548,177</u>	 <u>\$ 530,636</u>	 <u>\$ 580,121</u>	 <u>\$ 1,550,373</u>	 <u>\$ 1,128,298</u>

The increase of \$423,000 represents the purchase a new fire truck, fire equipment, new sidewalk, and a new sign for the township hall.

We present more detailed information about our capital assets in the notes to the financial statements. We anticipate capital additions next year will be as follows:

Air conditioning in hall

\$20,000

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2005

Debt

At the end of this year, the Township had \$426,000 in long-term debt outstanding versus \$480,000 in the previous year – a change of 11%. The Township's debt includes revenue bonds for its sewer system and compensated absences. This debt is summarized as follows:

	<u>2005</u>	<u>2004</u>
Revenue bonds	\$ 420,000	\$ 475,000
Compensated absences	6,000	5,000
	<u>\$ 426,000</u>	<u>\$ 480,000</u>

The Township's General Obligation Bond rating continues to be equivalent to the State's credit rating. We do not anticipate issuing any debt next year.

Factors Expected to Have an Effect on Future Operations

We expect to see a decline in state shared revenue next year as the State of Michigan continues to face challenges in balancing its budget. We will need to adjust Township expenditures in response to any revenue shortfall.

Contacting The Township's Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, contact the Township Clerk's Office at 320 N. Washington, Hale, Michigan 48739

Plainfield Township
Statement of Net Assets
June 30, 2005

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 727,979	\$ 180,996	\$ 908,975
Receivables:			
Accounts receivable	113,721	27,648	141,369
Special assessments receivable	0	128,811	128,811
Due from other governmental units	9,287	0	9,287
Due from (to) other funds	202	(202)	0
Prepaid expenses and advances	8,667	0	8,667
Capital assets - less accumulated depreciation of \$1,213,415	<u>1,019,737</u>	<u>530,636</u>	<u>1,550,373</u>
Total Assets	<u>1,879,593</u>	<u>867,889</u>	<u>2,747,482</u>
<u>Liabilities</u>			
Accounts payable	50,557	0	50,557
Deferred revenue	195,550	0	195,550
Noncurrent liabilities:			
Due within one year	0	55,000	55,000
Due in more than one year	<u>6,443</u>	<u>365,000</u>	<u>371,443</u>
Total Liabilities	<u>252,550</u>	<u>420,000</u>	<u>672,550</u>
<u>Net Assets</u>			
Invested in capital assets net of related debt	1,019,737	110,636	1,130,373
Restricted for other purposes	2,618	0	2,618
Unrestricted	<u>604,688</u>	<u>337,253</u>	<u>941,941</u>
Total Net Assets	<u>\$ 1,627,043</u>	<u>\$ 447,889</u>	<u>\$ 2,074,932</u>

See accompanying notes to financial statements

Plainfield Township
Statement of Activities
For the Year Ended June 30, 2005

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Primary government:						
General government	\$ 536,214	\$ 140,331	\$ 0	\$ 0	\$ (395,883)	\$ 0
Public safety	180,261	20,007	0	256,016	95,762	0
Sanitation	214,215	197,715	0	0	(16,500)	0
Highways and streets	192,590	38,046	0	0	(154,544)	0
Other	59,380	59,999	0	0	619	0
Library	20,564	0	0	0	(20,564)	0
Recreation and culture	22,922	0	0	0	(22,922)	0
Total governmental activities	1,226,146	456,098	0	256,016	(514,032)	0
Business-type activities:						
Sewer	97,474	65,123	0	0	0	(32,351)
Total primary government	\$ 1,323,620	\$ 521,221	\$ 0	\$ 256,016	(514,032)	(32,351)
General Revenues:						
Property taxes					472,114	0
State shared revenues					285,669	0
Investment earnings					8,145	1,843
Miscellaneous					41,486	10,000
Total general revenues					807,414	11,843
Change in net assets					293,382	(20,508)
Net assets - beginning of year					1,333,661	468,397
Net assets - end of year					\$ 1,627,043	\$ 447,889
						\$ 2,074,932

See accompanying notes to financial statements

Plainfield Township
Governmental Funds
Balance Sheet
June 30, 2005

	Major Funds				Non-Major Fund	Total
	General Fund	Road Fund	Garbage and Rubbish Collection Fund	Fire Fund	Library Fund	
<u>Assets</u>						
Cash and investments	\$ 281,237	\$ 205,217	\$ 141,724	\$ 79,728	\$ 20,073	\$ 727,979
Receivables - net	43,571	0	70,150	0	0	113,721
Due from other funds	9,849	0	0	0	0	9,849
Due from other governmental units	0	9,287	0	0	0	9,287
Prepaid expenditures and advances	8,667	0	0	0	0	8,667
Total assets	\$ 343,324	\$ 214,504	\$ 211,874	\$ 79,728	\$ 20,073	\$ 869,503
<u>Liabilities</u>						
Accounts payable	\$ 47,130	\$ 713	\$ 93	\$ 2,621	\$ 0	\$ 50,557
Due to other funds	0	0	6,054	0	3,593	9,647
Deferred revenue	0	0	195,550	0	0	195,550
Total liabilities	47,130	713	201,697	2,621	3,593	255,754
<u>Fund Balances</u>						
Reserved	2,618	0	0	0	0	2,618
Unreserved	293,576	213,791	10,177	77,107	16,480	611,131
Total fund balances	296,194	213,791	10,177	77,107	16,480	613,749
Total Liabilities and Fund Balances	\$ 343,324	\$ 214,504	\$ 211,874	\$ 79,728	\$ 20,073	\$ 869,503

See accompanying notes to financial statements

Plainfield Township
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2005

Total fund balances - governmental funds		\$	613,749
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and are not reported in the funds:			
Cost of the capital assets	\$1,611,095		
Accumulated depreciation	<u>(591,358)</u>		1,019,737
Long-term liabilities are not due and payable in the current period and are not reported in the funds:			
Compensated absences			<u>(6,443)</u>
Total net assets - governmental activities		\$	<u><u>1,627,043</u></u>

See accompanying notes to financial statements

Plainfield Township
Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2005

	Major Funds					Non-Major Fund
	General Fund	Road Fund	Garbage and Rubbish Collection Fund	Fire Fund	Library Fund	Total
Revenues						
State shared revenue	\$ 285,669	\$ 0	\$ 0	\$ 0	\$ 0	\$ 285,669
Taxes and penalties	116,640	160,560	0	158,505	36,409	472,114
Charges for services	80,215	21,554	0	20,007	0	121,776
Licenses and permits	60,116	0	0	0	0	60,116
Special assessment	59,999	16,492	197,715	0	0	274,206
Other revenue	11,196	21,953	2,140	5,579	618	41,486
Interest and rentals	5,871	769	490	998	17	8,145
Federal grants	0	0	0	256,016	0	256,016
Total revenues	619,706	221,328	200,345	441,105	37,044	1,519,528
Expenditures						
Current:						
General government	539,550	0	0	0	0	539,550
Public safety	18,172	0	0	112,807	0	130,979
Sanitation	16,543	0	197,022	0	0	213,565
Highways and streets	0	192,590	0	0	0	192,590
Recreation and cultural	22,175	0	0	0	0	22,175
Library	0	0	0	0	0	0
Other	59,380	0	0	0	20,564	79,944
Debt service:						
Principal	0	0	0	443,154	0	443,154
Interest	0	0	0	16,610	0	16,610
Capital outlay	0	0	0	500,857	0	500,857
Total expenditures	655,820	192,590	197,022	1,073,428	20,564	2,139,424
Excess of revenues over (under) expenditures	(36,114)	28,738	3,323	(632,323)	16,480	(619,896)
Other Financing Sources (Uses)						
Proceeds from issuance of debt	0	0	0	443,154	0	443,154
Excess of revenues and other financing sources over (under) expenditures	(36,114)	28,738	3,323	(189,169)	16,480	(176,742)
Fund balance - beginning of year	332,308	185,053	6,854	266,276	0	790,491
Fund balance - end of year	\$ 296,194	\$ 213,791	\$ 10,177	\$ 77,107	\$ 16,480	\$ 613,749

See accompanying notes to financial statements

Plainfield Township
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2005

Net change in fund balance - total governmental funds \$ (176,742)

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures;
in the statement of activities, these costs are allocated
over their estimated useful lives as depreciation

Depreciation expense

(46,303)

Capital outlay

517,863

(Increases) decreases in compensated absences are reported as expenditures
when financial resources are used in the governmental funds

(1,436)

Change in net assets of governmental activities

\$ 293,382

See accompanying notes to financial statements

Plainfield Township
Proprietary Fund
Statement of Net Assets
June 30, 2005

Assets

Current assets:

Cash and investments	\$ 180,996
Receivables - net	27,648
Total current assets	<u>208,644</u>

Capital assets less accumulated
depreciation of \$622,057

530,636

Special assessments receivable

128,811

Total Assets

\$ 868,091

Liabilities

Current liabilities:

Current portion of bonds payable	\$ 55,000
Due to other funds	202
Total current liabilities	<u>55,202</u>

Bonds payable

365,000

Total Liabilities

420,202

Net Assets

Unreserved

447,889

Total Liabilities and Net Assets

\$ 868,091

See accompanying notes to financial statements

Plainfield Township
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2005

Operating Revenues

Charges for sewer services	\$ 65,123
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Operating Expenses

Personnel costs	9,751
Contractual services	3,360
Utilities	1,447
Repairs and maintenance	20,068
Other supplies and expense	223
Depreciation	49,485

Total operating expenses	84,334
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Operating income (loss)	(19,211)
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Nonoperating Revenues (Expenses)

Miscellaneous income	10,000
Interest income	1,843
Interest expense	(13,140)

Change in net assets	(20,508)
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Net assets - beginning of year	468,397
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Net assets - end of year	\$ 447,889
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See accompanying notes to financial statements

PLAINFIELD TOWNSHIP
Proprietary Fund
Statement of Cash Flows
For the Year Ended June 30, 2005

Cash Flows From Operating Activities

Cash received from customers	\$ 63,192
Cash payments to suppliers for goods and services	(24,896)
Cash payments to employees for services	(9,751)
Net cash provided by operating activities	<u>28,545</u>

Cash Flows From Capital and Related Financing Activities

Collection of special assessments	52,518
Principal paid on contracts and bonds	(55,000)
Interest paid on contracts and bonds	(13,140)
Other income	10,000
Net cash (used) by capital and related financing activities	<u>(5,622)</u>

Cash Flows From Investing Activities

Interest revenue	1,843
Net increase in cash and investments	24,766
Cash and investments - beginning of year	156,230
Cash and investments - end of year	<u>\$ 180,996</u>

Reconciliation of Cash Flows from Operations

Operating income (loss)	\$ (19,211)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	49,485
Changes in operating assets and liabilities:	
Accounts receivable	(1,931)
Due to other funds	202
Net cash provided by operating activities	<u>\$ 28,545</u>

See accompanying notes to financial statements.

Plainfield Township
Fiduciary Fund
Statement of Net Assets
June 30, 2005

	<u>Cemetery Trust Fund</u>
<u>Assets</u>	
Cash and cash equivalents	<u>\$ 3,471</u>
<u>Net Assets</u>	
Reserved	2,000
Unreserved - undesignated	<u>1,471</u>
Total Net Assets	<u><u>\$ 3,471</u></u>

Statement of Changes in Net Assets
For the Year Ended June 30, 2005

<u>Additions</u>	
Investment earnings	\$ 45
Net assets - beginning of year	<u>3,426</u>
Net assets - end of year	<u><u>\$ 3,471</u></u>

See accompanying notes to financial statements.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Plainfield conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township of Plainfield:

Reporting Entity

The Township of Plainfield is governed by an elected five member council (Board). The accompanying financial statements present the financial position and results of operations for the Township.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The Township reports the following major governmental funds:

General Fund - The General Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

Road Fund – The Road Fund is used to record transactions relative to the repairs and upgrades to existing roads of the Township.

Garbage and Rubbish Collection Fund – The Garbage and Rubbish Collection Fund is used to record transactions relative to the collection and disposal of garbage and rubbish.

Fire Fund – The Fire Fund is used to record transactions relative to the fire services provided to the Township.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity

Cash and Investments – Cash and investments are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds”. Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as “internal balances”.

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Restricted Cash - \$2,618 of the General Fund's cash and investments is restricted for weed treatment for Little Long Lake. (Note 7).

Capital Assets – Capital assets, which include land, buildings, equipment and infrastructure assets are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of 5 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add value or materially extend asset lives are not capitalized.

Land, building, equipment and infrastructure are depreciated using the straight-line method over the following useful lives:

Buildings	15 to 40 Years
Building improvements	15 to 20 Years
Sewer lines	40 Years
Vehicles	7 to 12 Years
Machinery and equipment	5 to 7 Years

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences – The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method. Leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future receive such payments upon termination.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates – The process of preparing the basic financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 – BUDGETS

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General and Special Revenue Funds of governments prior to the expenditure of monies in a fiscal year.

The Township of Plainfield follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Township's supervisor submits to the Board a proposed budget prior to July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Budgeted amounts are as originally adopted, or as amended by the Board throughout the year. Individual amendments were not material in relation to the original appropriations. Budgets are adopted to the functional level.
4. Appropriations lapse at year-end. These appropriations are re-established at the beginning of the following year.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 2 – BUDGETS (CONTINUED)

A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board) for the General Fund, Road Fund, Garbage and Rubbish Collection Fund, and Fire Funds are presented as Required Supplemental Information.

Excess of Expenditures Over Appropriations in Budgeted Funds – During the year, the Township of Plainfield incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

<u>Fund/Function</u>	<u>Total Appropriation</u>	<u>Amount of Expenditure</u>	<u>Budget Variance</u>
Road Fund:			
Expenditures	\$188,500	\$192,590	\$4,090
Garbage and Rubbish Collection Fund:			
Expenditures	195,000	197,022	2,022
Fire Fund:			
Expenditures	379,500	1,073,428	693,928

NOTE 3 – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rates within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. The Township's deposits are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

Governmental activities	\$ 727,979
Business-type activities	180,996
Fiduciary funds	<u>3,471</u>
Total	<u>\$ 912,446</u>

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

The breakdown between deposits and investments is as follows:

Bank deposits (checking and savings accounts, certificates of deposit)	\$ 829,278
Investments (money market account)	82,918
Petty cash and cash on hand	<u>250</u>
Total	<u>\$ 912,446</u>

Interest Rate Risk

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2005, the Township's investment in the pool was rated AAAm by Standard & Poor's, indicating excellent safety.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of June 30, 2005, \$685,150 of the Township's bank balance of \$836,351 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 4 - CAPITAL ASSETS

Capital asset activity of the Township for the current year was as follows:

	Beginning Balance	Additions	Disposals and Adjustments	Ending Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 530	\$ 0	\$ 0	\$ 530
Capital assets being depreciated:				
Buildings and improvements	753,701	17,006	0	770,707
Vehicles	17,500	0	0	17,500
Machinery and equipment	321,501	500,857	0	822,358
Subtotal	<u>1,092,702</u>	<u>517,863</u>	<u>0</u>	<u>1,610,565</u>
Less accumulated depreciation for:				
Buildings	403,621	16,214	0	419,835
Vehicles	6,800	1,750	0	8,550
Machinery and equipment	134,634	28,339	0	162,973
Subtotal	<u>545,055</u>	<u>46,303</u>	<u>0</u>	<u>591,358</u>
Net capital assets being depreciated	<u>547,647</u>	<u>471,560</u>	<u>0</u>	<u>1,019,207</u>
Governmental activities, total capital assets - net of depreciation	<u>\$ 548,177</u>	<u>\$ 471,560</u>	<u>\$ 0</u>	<u>\$ 1,019,737</u>
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 15,000	\$ 0	\$ 0	\$ 15,000
Capital assets being depreciated:				
Sewer system	1,137,693	0	0	1,137,693
Less accumulated depreciation for:				
Sewer system	<u>572,572</u>	<u>49,485</u>	<u>0</u>	<u>622,057</u>
Business-type activities, total capital assets, net of depreciation	<u>\$ 580,121</u>	<u>\$ (49,485)</u>	<u>\$ 0</u>	<u>\$ 530,636</u>

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 12,234
Public safety	32,672
Recreation	747
Sanitation	<u>650</u>
Total governmental activities depreciation expense	<u>\$ 46,303</u>
Business-type activities:	
Sewer	<u>\$ 49,485</u>

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no transfers made during the year ended June 30, 2005. A summary of interfund receivable and payable balances at June 30, 2005 is as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 9,849	\$ 0
Garbage and Rubbish Collection Fund	0	6,054
Library Fund	0	3,593
Sewer Fund	<u>0</u>	<u>202</u>
	<u>\$ 9,849</u>	<u>\$ 9,849</u>

Interfund receivables represent unreimbursed monthly personnel costs from operations.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 6 - LONG-TERM DEBT

A summary of the Township's long term debt is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Ending Balance</u>
<u>Government-type Activities</u>				
Lease payable with Oshkosh Capital due in annual installments of \$31,474 including interest at a rate of 4.9% through June 10, 2014. The lease was paid off in April, 2005.	\$ 0	\$ 443,154	\$ (443,154)	\$ 0
<u>Business-type Activities</u>				
Contract payable with Iosco County, due in annual installments of \$40,000 to \$50,000 plus interest at the rate of 2.0%, through April 1, 2012.	\$ 375,000	\$ (45,000)	\$ 0	\$ 330,000
1996 Sewer Extension Bond, due in annual installments of \$10,000 to \$20,000 plus interest at the rate of 6.245%, through June 1, 2013.	100,000	(10,000)	0	90,000
Total Business-Type Activities	\$ 475,000	\$ (55,000)	\$ 0	\$ 420,000

Long-term obligation activity can be summarized as follows:

	July 1, 2004	Additions	and Payments	June 30, 2005	Within One Year
Lease obligation	\$ 0	\$443,154	\$443,154	\$ 0	0
Bonds	475,000	0	55,000	420,000	\$ 55,000
Compensated absences	5,007	1,436	0	6,443	0
	<u>\$ 480,007</u>	<u>\$ 444,590</u>	<u>\$ 498,154</u>	<u>\$ 426,443</u>	<u>\$ 55,000</u>

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the above obligations are as follows:

<u>Year End June 30</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 55,000	\$ 12,221	\$ 67,221
2007	55,000	10,696	65,696
2008	55,000	9,171	64,171
2009	55,000	7,647	62,647
2010	60,000	6,123	66,123
2011-2014	140,000	8,621	148,621
Total	<u>\$ 420,000</u>	<u>\$ 54,479</u>	<u>\$ 474,479</u>

NOTE 7 - NET ASSETS - RESTRICTED

As restricted by law, \$2,618 of the General Fund's cash and investments is restricted for weed treatment for Little Long Lake.

Plainfield Township
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2005

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
State shared revenue	\$ 300,000	\$ 300,000	\$ 285,669	\$ (14,331)
Property taxes	112,550	112,550	116,640	4,090
Charges for services	95,250	95,250	80,215	(15,035)
Licenses and permits	50,000	50,000	60,116	10,116
Special assessment	60,109	60,109	59,999	(110)
Other revenue	10,000	20,433	11,196	(9,237)
Interest	5,600	5,600	5,871	271
Total revenues	<u>633,509</u>	<u>643,942</u>	<u>619,706</u>	<u>(24,236)</u>
<u>Expenditures</u>				
General government	470,869	521,892	539,550	(17,658)
Public safety	11,150	15,650	18,172	(2,522)
Public works	13,700	16,700	16,543	157
Recreation and cultural	37,450	37,950	22,175	15,775
Contingency	13,340	4,040	0	4,040
Other charges	87,000	87,000	59,380	27,620
Total expenditures	<u>633,509</u>	<u>683,232</u>	<u>655,820</u>	<u>27,412</u>
Excess of revenues over (under) expenditures	0	(39,290)	(36,114)	3,176
Fund balance - beginning of year	<u>332,308</u>	<u>332,308</u>	<u>332,308</u>	<u>0</u>
Fund balance - end of year	<u>\$ 332,308</u>	<u>\$ 293,018</u>	<u>\$ 296,194</u>	<u>\$ 3,176</u>

Plainfield Township
Required Supplemental Information
Budgetary Comparison Schedule - Road Fund
For the Year Ended June 30, 2005

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Property taxes	\$ 152,500	\$ 152,500	\$ 160,560	\$ 8,060
Special assessment	16,100	16,100	16,492	392
Other revenue	8,800	8,800	21,953	13,153
Charges for services	10,500	10,500	21,554	11,054
Interest	600	600	769	169
Total revenues	188,500	188,500	221,328	32,828
<u>Expenditures</u>				
Highways and streets	188,500	188,500	192,590	(4,090)
Excess of revenues over expenditures	0	0	28,738	28,738
Fund balance - beginning of year	185,053	185,053	185,053	0
Fund balance - end of year	<u>\$ 185,053</u>	<u>\$ 185,053</u>	<u>\$ 213,791</u>	<u>\$ 28,738</u>

Plainfield Township
Required Supplemental Information
Budgetary Comparison Schedule - Garbage and Rubbish Collection Fund
For the Year Ended June 30, 2005

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Special assessment	\$ 190,500	\$ 190,500	\$ 197,715	\$ 7,215
Other revenue	1,500	1,500	2,140	640
Interest	3,000	3,000	490	(2,510)
Total revenues	195,000	195,000	200,345	5,345
<u>Expenditures</u>				
Public works	195,000	195,000	197,022	(2,022)
Excess of revenues over expenditures	0	0	3,323	3,323
Fund balance - beginning of year	6,854	6,854	6,854	0
Fund balance - end of year	<u>\$ 6,854</u>	<u>\$ 6,854</u>	<u>\$ 10,177</u>	<u>\$ 3,323</u>

Plainfield Township
Required Supplemental Information
Budgetary Comparison Schedule - Fire Fund
For the Year Ended June 30, 2005

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Property taxes	\$ 147,000	\$ 147,000	\$ 158,505	\$ 11,505
Grants	0	346,016	256,016	(90,000)
Charges for services	19,000	19,000	20,007	1,007
Other revenue	211,500	211,500	5,579	(205,921)
Interest	2,000	2,000	998	(1,002)
Total revenues	379,500	725,516	441,105	(284,411)
<u>Expenditures</u>				
Public safety	379,500	379,500	1,073,428	(693,928)
Excess of revenues over (under) expenditures	0	346,016	(632,323)	(978,339)
<u>Other Financing Sources (Uses)</u>				
Proceeds from debt	0	300,000	443,154	143,154
Excess of revenues over (under) expenditures	0	646,016	(189,169)	(835,185)
Fund balance - beginning of year	266,276	266,276	266,276	0
Fund balance - end of year	\$ 266,276	\$ 912,292	\$ 77,107	\$ (835,185)



WEINLANDER FITZHUGH

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

August 10, 2005

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Township Board
Township of Plainfield
Iosco County, Michigan

We are pleased to report to you on matters which we think will be of interest to you, insofar as they affect the Township's financial affairs. The items we discuss here result from notes we made during our recent audit of the financial statements of the Township of Plainfield for the year ended June 30, 2005.

First, we want to thank your staff for their cooperation and courtesy during the audit. They were very helpful and pleasant to work with.

COMPLIANCE WITH BUDGET REQUIREMENTS

The Township established the Library Fund during the year, but failed to adopt a budget for this fund as required by State law. The Township did establish a budget for the Library Fund for the 2005-2006 fiscal year.

We recommend the Township approve a budget for any special revenue fund established during the fiscal year.

COMMENTS ON COMPLIANCE WITH PAYROLL TAX LAWS

The Township is paying an employee additional amounts for cash in lieu of health insurance and auto allowance. While these payments are legal, the reporting is not in compliance with payroll tax laws. Under payroll tax laws, the Internal Revenue Service requires these types of payments to be treated as compensation. The amounts should have applicable payroll taxes withheld and be reported on a W-2.

We recommend the Township modify its policies on these types of payments and comply with IRS rules. An alternative for the auto allowance payment would be for all employees to be reimbursed for business miles driven at the approved federal mileage rate. This reimbursement would not be taxable and would not need to be reported to the employee.

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WEINLANDER FITZHUGH

Township Board
Township of Plainfield
August 10, 2005
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We hope we can be of further assistance and are available to discuss these comments, and their possible implementation, with you at any time. Please do not hesitate to contact us.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Township and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Weinlander Fitzhugh
WEINLANDER FITZHUGH